Part 1
Principles

1

Terms of Payment in International Trade

- Terms of payment in international trade:
  - (a) cash in advance, documentary credit (D/C), salient features of a D/C to the beneficiary and applicant
  - (b) collection, open account
- Different types of documentary credit:
  - red clause credit, revolving credit, transferable credit, back-to-back credit, standby credit, confirmed letter of credit
- Advantages and disadvantages of:
  - (a) documentary credit to importers and exporters
  - (b) collection to importers and exporters

1 Terms of Payment in International Trade

"Terms of payment" refers to the extent to which an exporter would like to be guaranteed payment before he ships the goods to the importer or to a designated place. In general, the lesser the risk to an exporter, the greater the risk to an importer. In other words, to minimize both parties' worries, the importer and the exporter must agree to mutually acceptable payment terms before a contract is agreed. There are basically four terms of payment in international trade. The extent of the risk implied by each term is different for different parties.

These terms of payment are ranked here in ascending order of risk to the exporter. In other words, they are increasingly unfavourable to the exporter but increasingly favourable to the importer:

(a) cash in advance
(b) documentary credit
(c) documentary collection
(d) open account

1.1 *Cash in Advance*

Under this payment term, an importer is required to pay an exporter prior to delivery. Upon receipt of payment, the exporter delivers the goods to the importer. Cash in advance gives the exporter the greatest protection because payment is received by the exporter either before shipment or upon arrival of the goods. It enables the exporter to avoid tying up his own funds. It is most useful when the importer's country is facing instability such as political uncertainty. Sometimes, exchange controls in the importer's country may cause payment delays or even prohibit funds to move out of the country. If an exporter is facing this kind of country risk, it is advisable for him to insist on trading on this term (see Figure 1.1).

In summary, an exporter may consider trading with this term under the following circumstances:

(a) He is selling the goods which are exclusive to himself in the global market;

Figure 1.1
Cash in Advance

(b) When he is doubtful about the buyer's character and/or ability to pay for the goods; and

(c) When he is exposed to buyer's country risk, arising for example from political and/or economic instability.

1.2 Documentary Credit (D/C)

The meaning of a documentary embodies the following. It is:

(a) a written undertaking given by a bank, known as an issuing bank or opening bank;

(b) to a seller, known as a beneficiary;

(c) at the request and on the instructions of its customer (buyer), known as the D/C applicant;

(d) to pay either at sight or at a specific future date;

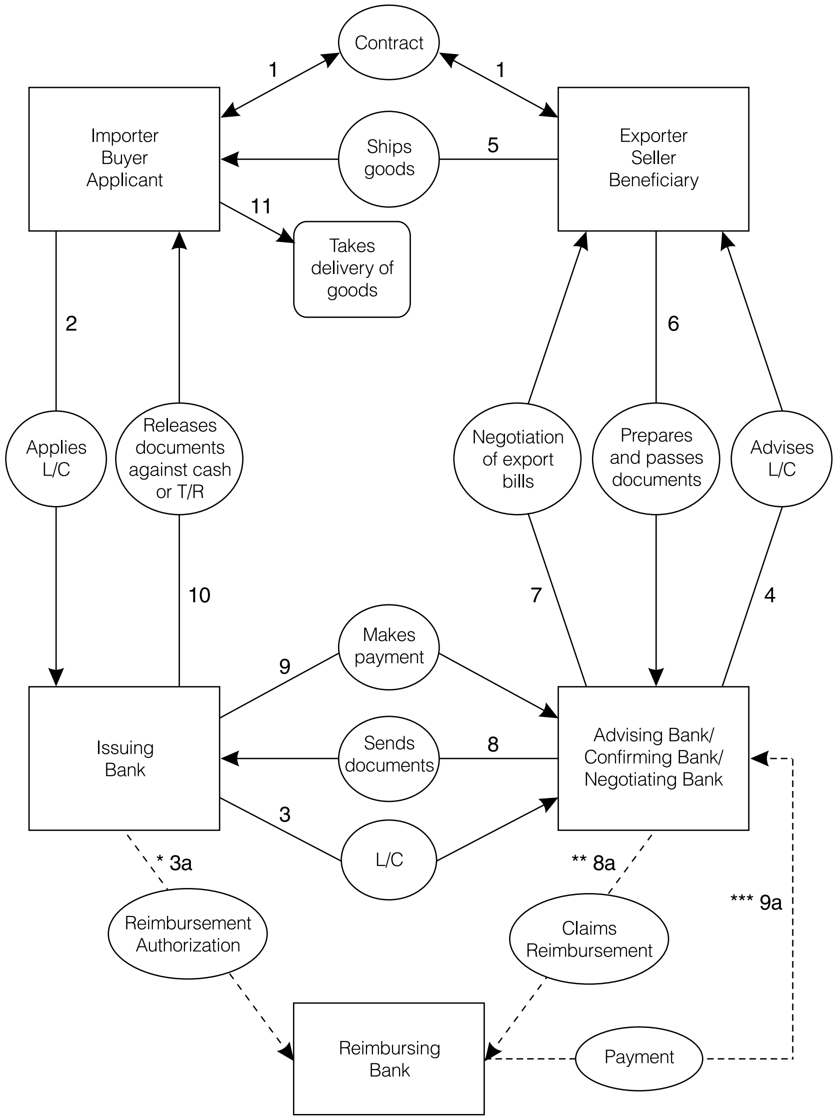
(e) a stated sum of money;

(f) against delivery of shipment and submission of stipulated documents and fulfilment of all the terms and conditions in the D/C.

In other words, a documentary credit is a conditional payment instrument made by the issuing bank in favour of a designated beneficiary (or issuing bank and a transferee if transferable). It is especially appropriate in the following circumstances:

(a) When the importer is not well known, the exporter selling on credit terms may wish to have the importer's promise of payment backed by his banker;

Figure 1.2
Diagrammatic Explanation of Various Steps in the Operation of a Documentary Credit



Note: In the case of a reimbursement credit,

1. * 3a, ** 8a } will be involved as well.
2. *** 9a will replace 9.

(b) On the other hand, the importer may not wish to pay the exporter until it is reasonably certain that the merchandise has been shipped in good condition and/or in accordance with his instructions.

A documentary credit, in this case, can satisfy both the exporter and the importer.

1.3 Diagrammatic Explanation of Various Steps in the Operation of a Documentary Credit

Figure 1.2 shows various steps in the operation of documentary credit.

(1) The importer and exporter make a contract before the D/C is issued.

(2) Importer applies for a letter of credit (L/C) from his banker known as the issuing bank. He may have to use his credit lines. If he is a new customer, margin deposit may be required: e.g., 20% deposit on credit amount.

(3) Issuing bank opens the D/C which is channelled through its overseas corresponding bank, known as the advising bank.

(4) Advising bank informs the exporter (the beneficiary) of the arrival of the D/C.

(5) Exporter ships the goods to the importer or other designated place as stipulated in the D/C.

(6) Meanwhile, he prepares his own documents and collects shipping documents or other documents (e.g., insurance policy) from relevant parties. All these documents will be sent to his banker which is acting as the negotiating bank.

(7) Negotiation of export bills happens when the banker agrees to provide him with finance. In this case, he obtains payment immediately upon presentation of the documents. If not, the documents will be sent to the issuing bank for payment or on an approval basis as in the next step.

(8) Documents are sent to the issuing bank (or reimbursement bank which is the bank nominated by the issuing bank to honour reimbursement by the negotiating bank) for reimbursement or payment.

(9) Issuing bank honours its undertaking to pay the negotiating bank on condition that the documents comply with the D/C terms and conditions.

(10) Issuing bank releases documents to importer when the latter makes payment to the former or against the latter's trust receipt facility.

(11) The importer takes delivery of goods upon presentation of the shipping documents.

For an example of a documentary credit, please refer to the Appendix.

1.4 Salient Features of a D/C to the Beneficiary

The main worry for the seller in an export deal is the buyer's default in payment after he has relinquished control over the goods. Assume that the seller receives a documentary credit issued by a reputable bank, that bank stands in the shoes of the buyer to promise to pay him. The promise is in the form of a definite undertaking to pay provided that:

(a) He ships the goods before the latest shipment date.

(b) He prepares documentary support for his shipment. In other words, he is required to submit all the documentary evidence, either gathered from outsiders (e.g., bills of lading, insurance policy) or prepared by himself (e.g., draft, invoice, packing list).

(c) He has fulfilled all terms and conditions as stipulated in the D/C.

As long as he has complied with the instructions in the D/C, the issuing bank (confirming bank, if any) cannot withdraw its undertaking and refuse to pay him. The promise to pay him is enshrined in the "Engagement Clause" which is found in every D/C.

In spite of the above promise, an exporter, upon receipt of a D/C, must make sure that he can subsequently produce all the documents in compliance with credit terms and conditions. Failure to comply with any term, no matter how trivial the inconsistencies may be, constitutes valid grounds for withholding payment. At any time, the exporter must bear in mind that the undertaking given by the issuing bank is conditional. Such conditions are clearly laid down in the Engagement Clause to the effect that the issuing bank engages with drawers and/or bona fide holders that drafts drawn in conformity with the terms of the credit will be duly honoured.

1.5 Salient Features of a D/C to the Applicant

For a beneficiary, it seems that a D/C is relatively more favourable to him compared to a collection. For an applicant, a D/C, meanwhile has much value to him. To a buyer, his utmost concern is the goods, in terms of their quality and arrival time. To ensure that the quality of the goods ordered is up to his standard, he may insert in the D/C a clause calling for an inspection certificate (or even public surveyor's report with loading supervision). He may stipulate in the D/C the latest shipment date to ensure that the goods have been shipped before a stipulated date. Actually, a buyer can, via the issuing bank, add in the D/C any amendment to the terms and conditions which he would like the seller to fulfil before the latter gets paid (provided that the beneficiary accepts such terms).

In spite of the above protection, an applicant should remember that a D/C is a relationship (or contractual relationship as some lawyers said) made between the issuing bank and the beneficiary. According to Uniform Customs and Practice for Documentary Credit (UCP–600), a D/C is separated from the underlying sales and purchase contract made between the buyer and seller. This concept remains unchanged even if any reference whatsoever to such a contract is included in the D/C. Therefore, any disputes in the contract cannot invalidate the definite undertaking of the issuing bank to pay the beneficiary if documents presented comply with the terms and conditions of the D/C. In the worst scenario, even when an exporter has shipped inferior goods, the issuing bank is still obliged to pay the beneficiary if documents presented conform to the D/C. In this awkward situation, there is little the issuing bank can do to help the applicant as, according to Article No. 4, UCP–600, banks deals with documents, and not with goods and services.

Unless the applicant is granted an injunction to restrain the issuing bank from paying the beneficiary in the above case, the opening bank has to pay the seller. However, injunctions of this type are rarely granted by the court. In Hamzeh Malas & Sons v British Imex Industries Limited, an injunction was refused. In Discount Records Limited v Barclays Bank Limited, it was held that judge tends to be slow to interfere with banker's documentary credit. Both cases reveal that there is little inclination on the part of the courts to interfere in D/C transactions. This is quite understandable as D/C is an instrument to facilitate trade, not to police trade.

1.6 Collection: Introduction

In recent years, collection has become a popular method of payment, particularly in the United states, and there is a growing trend that collection may replace D/C. Collection is a method of settlement of payment by a buyer through bank channels at comparatively low cost and little risk. It is called "collection" because the seller uses the bank system to collect payment from the buyer. Unlike in D/C cases, a bank handling collection is acting as the agent for its customers. In processing collections, banks do not guarantee that the buyer will pay.

The payment instrument in a documentary collection is usually a bill of exchange drawn by the exporter (seller) on the importer (buyer).

Two types of bill of exchange can be drawn:

(a) Sight bill — a bill of exchange drawn by the drawer (exporter) at sight for immediate payment.

(b) Term bill — (usance bill) a bill of exchange drawn by the drawer (exporter) and providing time for the drawee to pay at a fixed or determinable future date, such as 30 days sight.

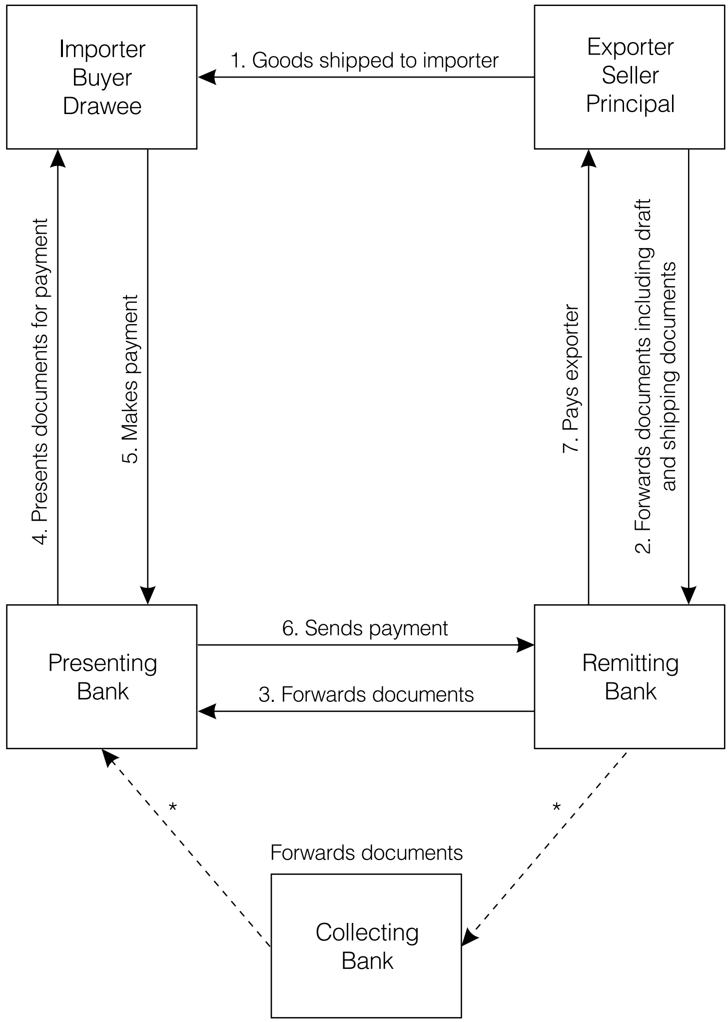
There are two types of collection (see Figures 1.3 and 1.4). The first type is documentary collection, which means collection of:

(a) financial documents and commercial documents; or

(b) commercial documents only.

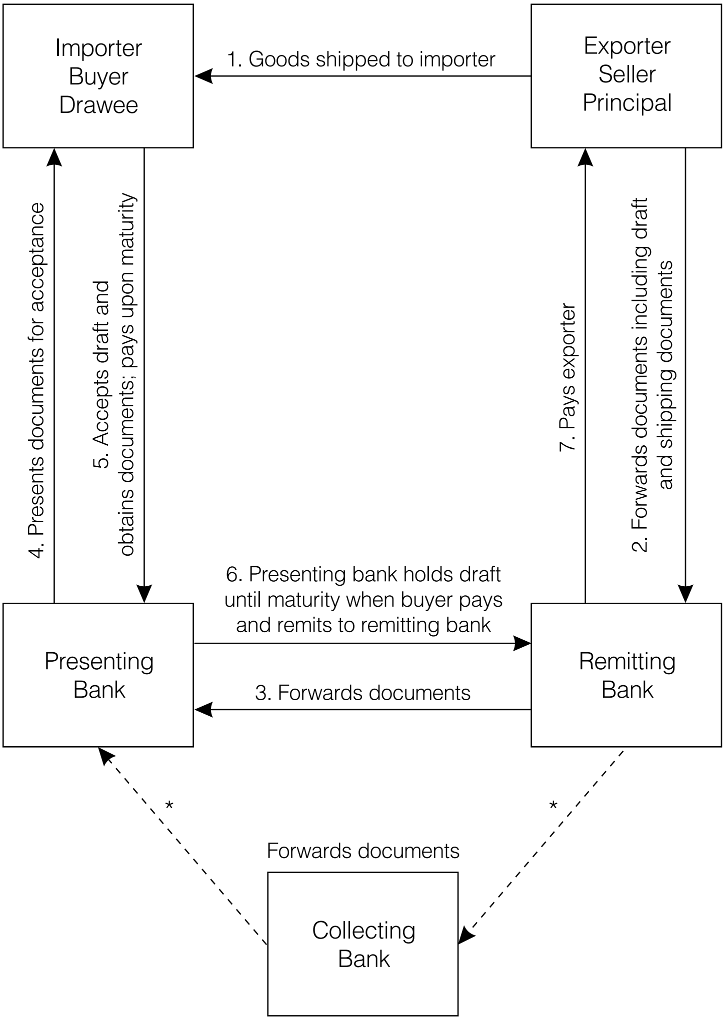
The second type is clean collection. This consists of one or more bills of exchange or promissory notes, for obtaining cash. Clean

Figure 1.3
Documentary Collections: Documents against Payment (D/P)



* As an alternative to step 3

Figure 1.4
Documentary Collections: Documents against Acceptance (D/A)



* As an alternative to step 3

collection requires no other commercial documents to be attached. In other words, all shipping documents except financial documents are sent direct to the buyer or accompanied the goods. Financial documents such as drafts will be submitted to the remitting bank for obtaining cash (see Figure 1.5).

1.7 *Reasons for the Growth of Collection*

(a) Collection provides an alternative payment method which can satisfy both the importer and the exporter by means of reducing their worries.

For example, in a potential deal, payment in advance which is favourable to the exporter may not be accepted by the importer. Meanwhile, open account which is favourable to the importer may not be accepted by the exporter. As a compromise, the best alternative is collection which can satisfy both the importer and exporter in terms of:

(1) minimizing the importer's main worry of failure to receive goods after payment, as in payment in advance;

(2) minimizing exporter's worry of buyer's default on payment while he has lost control of the goods, as in open account.

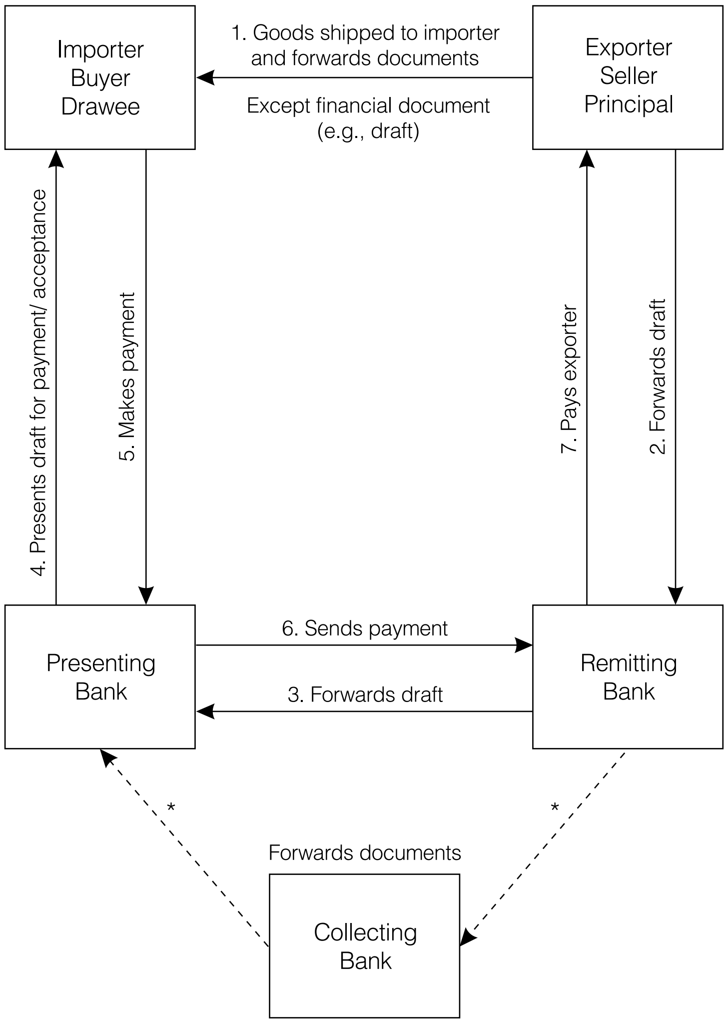
In collection, banks act as the agents for the exporter to collect payment from the importer. Only after having collected payment (D/P, documents against payment) or been guaranteed to pay upon maturity (D/A, documents against acceptance) will the collecting bank release the documents to the importer to enable him take delivery of the goods.

(b) Collection charges are comparatively cheaper for both parties.

(c) Importers prefer to use this method as no credit line is required.

Figures 1.3–1.5 show various steps in the operation of a collection.

Figure 1.5
Clean Collections



* As an alternative to step 3

(1) The exporter ships the goods to the importer according to contract or importer's instructions.

(2) The exporter presents the documents to his banker (known as the remitting bank) for onward forwarding.

(3) The remitting bank forwards documents to its overseas corresponding bank (known as the presenting bank) according to the instruction of the exporter in the collection order.

The bank actually making presentation of the documents to the importer is known as the presenting bank. In most cases, the remitting bank forwards documents to the presenting bank which will further present the documents to the importer. In exceptional cases, (for example, the remitting bank has no corresponding relationship with the presenting bank designated by the principal), the remitting bank may forward the documents to another bank in the buyer's country, such as its overseas branch, which is known as the collecting bank as shown by the dotted arrows in the above diagrams. The collecting bank then forwards the documents to the designated presenting bank.

(4) The presenting bank informs the importer of the arrival of the documents and instructs him to make payment or acceptance according to the instructions of the collection order, against the release of documents.

(5) The importer makes payment (under D/P, see Figure 1.3) or accepts draft and pays upon maturity (under D/A, see Figure 1.4) depending on the instructions of the collection order.

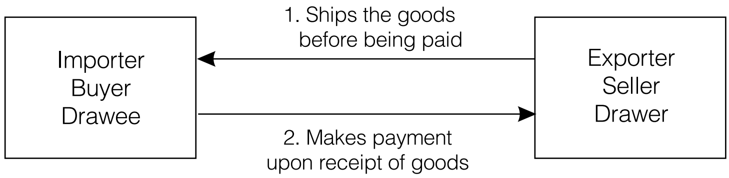
(6) The presenting bank sends payment to remitting bank immediately (under D/P) or upon maturity (under D/A).

(7) The remitting bank pays the exporter.

1.8 Open Account

This has become an increasingly important payment method recently in which the exporter ships the goods first and bills the importer later. Upon receipt of goods, the importer pays the exporter by means of telegraphic transfer or sending a demand draft (see Figure 1.6).

Figure 1.6
Open Account



These terms are arranged between the buyer and the seller in advance, but the seller has little evidence of the importer's obligation to pay a certain amount at a certain date. This payment method is, therefore, risky for the exporter. Although this payment method bears a higher risk for sellers, open account sales have greatly expanded due to:

(a) major increase in international trade,

(b) improvement in credit information about importers, and

(c) sellers eager to increase export volume.

In most cases, the exporter may accept this relatively unfavourable payment term for the following reasons:

(a) In the domestic and/or global market, the exporter encounters keen competition. In order to be more competitive, the goods have to be sold with the most attractive payment terms to potential buyers.

(b) The market is a buyer's market. The buyers choose to do business only with those sellers trading on open account terms. In order to enlarge export volumes, exporters are given no other choice but to accept or change to accept this unfavourable term.

2 Different Types of Documentary Credit

2.1 Red Clause Credit

A red clause credit is the type of credit with a special clause inserted by the issuing bank at the request of an applicant, which authorizes the advising or confirming bank (advancing bank) to make advances to the beneficiary before presentation of the documents. This constitutes pre-shipment finance in the form of a loan from the advising/confirming bank to the beneficiary. The advancing bank is guaranteed by the issuing bank to be reimbursed for the principal amount plus interest in case the beneficiary subsequently fails to submit documents. The issuing bank has the right of recourse on the D/C applicant.

The credit specifies the amount of the advance to be given to the beneficiary, which can be in the form of a percentage or a fixed sum.

Finance is given against an undertaking from the beneficiary certifying that he promises to ship goods and submit documents to the advising bank which has provided him with finance.

Possible risks in issuing a red clause D/C include:

(a) Exporter may use the advance for other purposes;

(b) Documents presented by the exporter may have discrepancies unacceptable to the importer.

2.2 *Revolving Credit*

A revolving credit is a D/C which provides for the amount of the credit to be renewed (sometimes known as reinstated) or topped up automatically after use without the need for the applicant to renew the credit every time.

It can be revolved with respect to either:

(a) time, or

(b) amount (e.g., total value of the credit)

A revolving credit "with respect to time" can be cumulative or non-cumulative. A cumulative revolving credit allows any unused credit amount unused during a previous period, usually a month, to be carried forward to the next month. A non-cumulative revolving credit, on the other hand, provides for a maximum amount of credit to be drawn each month. If the exporter fails to draw down for a particular month, the amount in that month (full amount or any utilized balance) will be cancelled automatically.

A revolving credit "with respect to amount" allows the credit amount to be renewed as soon as the exporter presents his shipping documents and uses up the credit amount. As the issuing bank theoretically may incur unlimited liability, this type of revolving credit is rarely seen (refer to Chapter 12, section 5 for details).

Normal circumstances for issuing a revolving credit are if an importer is trading with an overseas exporter and buying the same goods on a regular basis, with the same terms and conditions and at the same unit price, he can issue one revolving credit to this exporter instead of having to issue a separate credit with the same terms and conditions for every shipment. This will save the time and trouble of having to apply for many credits.

2.3 Transferable Credit

A transferable credit is a D/C which can be transferred in whole or in part by the original beneficiary to one or more "second beneficiaries". It is normally used when the first beneficiary does not supply the goods himself, but acts as a middleman between the supplier and the ultimate buyer. Its characteristics are as follows:

- (a) A transferable credit must be an irrevocable credit.
- (b) A transferable credit can only be transferred once. It cannot be transferred from the "second beneficiary" to a "third beneficiary/beneficiaries". However, it can be transferred to more than one "second beneficiary".
- (c) The bank charges in respect of the transfer are payable by the first beneficiary unless specifically instructed otherwise.
- (d) The transfer must be in accordance with the terms and conditions of the original credit, except that:
    - (1) the name and address of the first beneficiary may be substituted for the name and address of the applicant for the credit;
    - (2) the amount of the credit (and the unit price) may be reduced, to allow the first beneficiary to take his profit;
    - (3) the expiry date of the credit and shipment date may be shortened.

From an applicant's (original D/C) point of view, a transferable credit exposes him to the additional risks as follows:

(a) He has to deal with an unknown supplier — the integrity of the second beneficiary is not known.
(b) Quality of merchandise is not assured.
(c) Amendments may not be advised to this ultimate supplier, so documents will never comply with D/C terms even though second beneficiary presents documents in compliance with the transferable credit (refer to Chapter 10 for details).

2.4 Back-to-Back Credit

When a beneficiary receives a D/C which is not transferable and he cannot furnish the goods himself, he may arrange with his banker to issue a second credit, known as a "back-to-back credit" to a supplier to supply the goods.

As the two credits cover the same goods, the back-to-back credit must be issued with identical terms to the master credit except that the credit amount, and unit price if any, are smaller. The expiry date of the back-to-back credit is earlier while the latest shipment date may have to be advanced.

The bank issuing the back-to-back credit will obtain repayment through the master credit which is deposited with the bank issuing the back-to-back credit. Also, the bank must try to maintain control of the documents and hold them after payment to the supplier, pending receipt of its customer's invoices, and then present the document itself for payment under the master credit in favour of his customer (refer to Chapter 11 for details).

2.5 Standby Credit

A standby credit is a guarantee type of documentary credit. It may take several forms such as pure loan form, bid bond and performance guarantee form, etc. The situation described below is a pure loan type standby credit.

A standby credit is opened on the request of the customer at the risk of the issuing bank, in favour of a correspondent bank in a foreign country to provide a foreign customer with banking facilities under certain terms and conditions.

On receipt of the D/C, the correspondent bank notifies the foreign customer, stating that a credit line is available to him and at his disposal until the expiry date as stipulated.

At the expiry date, the bank is authorized to draw under the credit for repayment of debts in the event of failure of the foreign customer to make good his payment. A signed statement from the correspondent bank is required to certify the sum unpaid in case of default by the overseas customer.

A standby credit can also be in another form with the same effect as a guarantee against the default in payment of the applicant (refer to Chapter 12, section 7 and Chapter 13, section 6 for details).

2.6 Confirmed Letter of Credit

If a letter of credit is confirmed by a bank (the advising bank), this means that, in addition to the definite undertaking of the issuing bank to honour the beneficiary's draft, the advising bank is instructed to add its promise to pay the beneficiary. Such confirmation by the advising bank not only confirms the undertaking of the issuing bank but also constitutes an additional promise on the part of the advising bank (which becomes a confirming bank).

This confirmation added by the advising bank is requested by the D/C issuing bank which, again, acts at the request of the D/C applicant. In fact, the confirmation request is not made by the applicant, but comes from the beneficiary who may have doubts about the credit worthiness of the issuing bank, or worry about the economic/political stability of the applicant's country.

When the confirming bank has honoured its obligation under the terms of the D/C, it has a right of recourse against the issuing bank.

In practice, the issuing bank must have arranged a line of confirmed credit with the advising bank before opening a confirmed D/C for its customers.

Recently, Hong Kong has seen a particular form of credit confirmation known as "silent confirmation". This confirmation on the credit is added by the advising bank or the beneficiary's banker without instructions from the D/C issuing bank or any prior agreement between the D/C issuing bank and the advising bank/ beneficiary's banker.

Such unilateral confirmation by the "confirming bank" without recognition by and knowledge of the issuing bank is not subject to Article 9b, UCP–600 and is made solely at the risk of the "confirming bank".

This type of special confirmation is common among D/C issued by the state-owned banks in China whose policy may not allow the issue of confirmed D/C. It is, however, an open secret that their D/ C are silently confirmed by the advising bank/exporter's banker in Hong Kong at the request of the exporter.

3 Advantages and Disadvantages of Documentary Credit and Collection to Importers and Exporters

3.1 Advantages of D/C to an Importer

(a) An importer can be assured that the exporter has complied with certain terms and conditions as specified in the D/C before payment.

(b) He can insist on shipment of goods within a certain time by stipulating a latest shipment date.

(c) He can obtain expert advice from his banker as to the D/C terms.

(d) He can ask for financial assistance from his banker, such as in the form of a trust receipt.

(e) Protection is offered by the Uniform Customs and Practices for Documentary Credits (UCP–600).

3.2 Disadvantages of D/C to an Importer

(a) Since banks deal in documents only, goods may not be necessarily the same as those specified in the credit.

(b) Issuing banks are obliged to pay even though the condition of the goods may be poor.

(c) D/C charges are relatively costly (3% on the first US$ 50,000).

(d) A line of credit or application is necessary before an importer can open a D/C, which may cause extra inconvenience and is time-consuming.

3.3 Advantages of D/C to an Exporter

(a) The risk of non-payment is lower provided he complies with D/C terms and condition.

(b) It is a safe method through which to obtain prompt payment after shipment.

(c) The exporter may obtain expert advice from his banker.

(d) Also, the exporter can seek financial assistance from his banker before the buyer makes payment, in the form of negotiation of export bills, export bills advance, etc.

3.4 Disadvantages of D/C to an Exporter

(a) It is comparatively costly.

(b) Sometimes, the terms and conditions cannot be fulfilled, such as unreasonable shipment date and expiry date and addition of D/C clause “restriction of a designated vessel to be informed by D/C amendment”.

(c) The goods must be shipped before payment can be received, so it is not 100% safe.

3.5 Advantages of Collection to an Importer

(a) For clean collections, buyers can take possession of the goods before payment.

(b) For D/A collections, the buyer can inspect and sell the goods before payment.

(c) Term bills provide the buyer with a period of credit from the exporter. Hence, his liquidity can be improved.

3.6 Disadvantages of Collection to an Importer

(a) If he defaults on an accepted bill of exchange (notwithstanding the poor condition of the goods), legal action can be taken against him.

(b) If he refuses to accept or pay a bill, protest by the exporter against non-acceptance or non-payment can be taken by the exporter, which can damage the reputation of the importer.

3.7 Advantages of Collection to an Exporter

(a) It is cheaper than D/C.

(b) A presenting bank may have influence over the foreign buyer and thus be more able to collect the payment than if terms were open account.

(c) Exporters may obtain immediate payment by negotiation of the bill or applying for bank advance.

(d) Exporters can retain control over the goods under D/P.

(e) Compared to open account, an exporter trading on collection basis can apply for bills advance from its banker including clean collection or documentary collection.

3.8 Disadvantages of Collection to an Exporter

(a) Loss of control over goods under D/A.

(b) No guarantee that the buyer will pay because presenting banks are to collect the payment only.

(c) In case of delays or difficulties, an exporter has to bear all the costs arising, such as demurrage charges in the importer's country.

(d) He has to bear buyer's credit risk and country risk.

Revision Questions

1. An exporter known as City I/E Company has been supplying electrical appliances to Vietnam for several years, payment of which is always effected in Hong Kong Dollars by documentary collection. Recently, the company is unwilling to continue to trade on collection terms because payment has been delayed twice by the Vietnam importer. On the other hand, the importer is unwilling to accept "payment in advance" terms.

   Required:

   (a) Define the most suitable method of payment for export sales you would suggest to City I/E Company. Identify the parties involved in this method.

   (b) If City I/E Company is worried that funds may be restricted in moving out of Vietnam as a result of the Asian financial crisis, what other arrangements in addition to (a) would you suggest to your customer so that the chance of "unpaid" bills can be minimized? Explain the characteristics of the instrument.

2. Your customer, City I/E Ltd, is trading actively as a middleman in Hong Kong. It has arranged for a shipment of computer hardware from the U.S.A. to China. The US supplier has insisted on the issuance of a documentary credit as a prerequisite for the trade. As the banker for City I/E Ltd, you wish to offer help.

   Required:

   (a) What types of documentary credit (D/C) can be arranged and issued in favour of the US supplier?

   (b) With reference to the relevant articles of UCP–600, describe the characteristics of one type of the D/Cs you have identified in (a) above.

3. An exporter known as City Company has been supplying technological products to a Chinese buyer for several years, payment of which has always been effected by documentary credit. Recently, the company received a complaint from the Chinese importer for the increasing commission charged and time involved in this method of payment. On the other hand, City Company is not prepared to accept "open account" terms.

Required:

(a) What are the other methods of payment in export sales available in the market? Describe briefly each method.

(b) Explain the risks of moving away from documentary credit payment terms to open account terms, from the viewpoint of City Company.

4. What is a confirmed credit?

5. State the circumstances under which a back-to-back credit is most appropriate.

6. What additional risks may an original D/C applicant be exposed to with respect to a transferable credit?

Further Reading

1. Charles del Busto, *ICC Guide to Documentary Credit Operations*, International Chamber of Commerce, Chapter 2.

2. Lakshman, *ICC Guide to Collection Operations*, International Chamber of Commerce.

3. James G. Byrnes, *ISP 98 The Official Commentary* on the International Standby Practices, Institute of International Banking Law and Practices, Inc.